

STATE OF WASHINGTON



OF OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	
)	CONSENT ORDER
ALLSTATE INSURANCE)	LEVYING FINE
COMPANY)	
)	
)	NO. D 2000-78
)	
Authorized Insurer.)	

FINDINGS OF FACT:

1. Allstate Insurance Company ("Allstate") is an insurer authorized to do business in the State of Washington since 1934.
2. On April 27, 1999, Allstate's insured was driving her insured vehicle, and turned left in front of an oncoming logging truck, resulting in a collision between the two vehicles which left the insured and her passenger dead at the scene.
3. Allstate was notified of the collision on 4/28/99.
4. By 5/24/99, Allstate had received a copy of the police report, discussed the facts with the detective assigned to the case, and interviewed the only surviving driver, the truck driver.
5. The information Allstate had gathered by 5/24/99 made its insured's liability to the passenger's estate reasonably clear.
6. On 7/22/99, Allstate confirmed that liability was not in issue and asked the attorney for the passenger's estate ("attorney") for the death certificate, ambulance and emergency room reports, and other medical records to document the passenger's health condition prior to her death.
7. On or about September 28, 1999 the attorney sent Allstate a copy of the passenger's death certificate, information about her medical history and family relations, and a demand for payment of the policy limits, asking for a response within 20 days.

8. On October 11, 1999, Allstate wrote two letters to the attorney asking for the passenger's medical bills from the April 27, 1999 accident, stating in one that, because it had received other demands prior to this one, Allstate might not respond within the allotted 20 days.
9. On October 12, 1999, the attorney sent a letter by facsimile transmission to Allstate confirming that there were no medical charges in connection with the April 27, 1999 collision as the passenger died at the scene.
10. On November 10, 1999, the attorney wrote another letter to Allstate asking for a response to the September 28, 1999 demand and reiterating that, as confirmed in the October 12, 1999 letter, there were no medical charges in connection with the April 27, 1999 collision as the passenger died at the scene.
11. Allstate never responded to the attorney's November 10, 1999 request.
12. Allstate did nothing further to attempt to effectuate prompt, fair and equitable settlement of the estate's claim until it received an official inquiry from the Office of the Insurance Commissioner ("OIC") on March 16, 2000.
13. On March 6, 2000, the Office of the Insurance Commissioner ("OIC") received a letter dated March 2, 2000 from the attorney stating the facts of the loss and stating that he had had no cooperation from Allstate with respect to settling the passenger's claim.
14. On March 10, 1999, the Office of the Insurance Commissioner ("OIC") sent an official inquiry to Allstate transmitting the attorney's March 2, 2000 letter and requesting a response to the issues raised in the attorney's letter, and, if the claim was unresolved, for an explanation of Allstate's position and plans for resolution, along with all supporting documentation that would help resolve factual disputes.
15. On March 23, 2000, OIC received a letter dated March 22, 2000 from Allstate indicating that it had requested copies of medical bills and emergency room and ambulance records from the attorney, which it had not received, but would proceed to evaluate the matter based on the information already in its possession.
16. On March 24, 2000, OIC sent another official inquiry to Allstate acknowledging the March 22, 2000 response, noting that no supporting documentation had been received, and not all the issues raised in the attorney's March 2, 2000 letter had been addressed, and requesting a detailed outline of claim activities, supporting documentation, a status report, and a statement of when resolution could be expected.
17. A response to OIC's March 24, 2000 inquiry was not sent until May 3, 2000.
18. Allstate settled the claim on April 3, 2000 without requiring additional information.

CONCLUSIONS OF LAW

1. Allstate's failure to attempt in good faith to effectuate prompt, fair and equitable settlement of the estate's claim violated WAC 284-30-330(6).
2. Allstate's failure to respond to the attorney's September 28, 1999 demand package and to the attorney's November 10, 1999 request for a response violated WAC 284-30-360(3).
3. Allstate's failure to complete investigation of the estate's claim within thirty days violated WAC 284-30-370.
4. Allstate's failure to furnish OIC with an adequate response to its March 10, 2000 inquiry violated WAC 284-30-360(2) and WAC 284-30-650.
5. Allstate's failure to respond to OIC's March 24, 2000 inquiry until May 3, 2000 violated WAC 284-30-360(2) and WAC 284-30-650.

CONSENT TO ORDER

Allstate Insurance Company hereby admits to the foregoing Findings of Fact and Conclusions of Law. Allstate Insurance Company acknowledges its duty to comply fully with the applicable laws of the State of Washington.

By agreement of the parties, the OIC will impose a fine of Five Thousand Dollars on Allstate Insurance Company. The parties also agree that Allstate Insurance Company will comply with the following conditions as part of its obligations under this Consent Order:

1. Allstate will pay the above-referenced fine of Five Thousand Dollars for its violations of Washington insurance law within thirty days of the entry of this Order.
2. Allstate shall comply with all the terms of the Compliance Plan attached hereto as Exhibit 1.

EXECUTED and AGREED this _____ day of _____, 2001.

ALLSTATE INSURANCE COMPANY

Title: _____

Signed: _____

ORDER

Pursuant to RCW 48.05.185, the Insurance Commissioner hereby imposes a fine of Five Thousand Dollars upon Allstate Insurance Company. This fine must be paid in full within thirty days of the date of entry of this order. Failure to pay this fine shall constitute grounds for recovery of the fine and revocation of Allstate Insurance Company's certificate of authority in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

ENTERED AT OLYMPIA, WASHINGTON, this 24th day of December, 2001.

Mike Kreidler
Insurance Commissioner

By: _____
Carol Sureau
Deputy Commissioner, Legal Affairs